UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/CN.3/1993/4
30 December 1992

ORIGINAL: ENGLISH

STATISTICAL COMMISSION
Twenty-seventh session
22 February-3 March 1993
Item 4 (a) of the provisional agenda*

NATIONAL ACCOUNTS AND BALANCES: SYSTEM OF NATIONAL ACCOUNTS (SNA)

Report on the revision of the System of National Accounts (SNA)

Report of the Inter-Secretariat Working Group on National Accounts

SUMMARY

The present report was prepared by member organizations of the Inter-Secretariat Working Group on National Accounts (ISWGNA). It includes in the first place an overview of the revised SNA and the goals that were met (Section I). Then it reviews the process through which the revision of the SNA was achieved (Section II), and shows how this process has resulted not only in a revised SNA, but has also initiated parallel revisions of related statistical standards and will result in the development of Handbooks which focus on the implementation and/or special applications of the System (section III). The report then continues the traditional provision of information on the SNA Review presented to the Statistical Commission every two years, summarizing in section IV the activities of the Inter-Secretariat Working Group on National Accounts and Expert Group on SNA Coordination during the period 1991-1992. Section V deals with future updates of the SNA which are needed in order to respond to new data requirements of macro analysis and policy making. Points for discussion are included in section VI.

* E/CN.3/1993/1.

CONTENTS

	Paragraphs	Page
INTRODUCTION	1 - 2	3
I. AN OVERVIEW OF THE REVISED SNA	3 - 8	3
II. THE SNA REVIEW PROCESS	9 - 13	5
III. RESULTS OF THE SNA REVIEW PROCESS	14 - 26	7
1. Revised SNA	15 - 20	7
2. Revision and/or development of related statistical standards	21 - 22	10
3. Development of handbooks	23 - 26	10
IV. SNA REVIEW WORK PROGRAMME 1991-1992	27 - 45	11
1. Planning and management of work programme by ISWGNA	27 - 29	11
2. Funding resources and consultancies	30 - 32	12
3. Expert group, technical, regional and interregional meetings	33 - 38	13
(a) Fifth Expert Group Meeting on SNA Coordination	34	13
(b) Sixth Expert Group Meeting on SNA Coordination	35	13
(c) Technical working group meetings	36	14
(d) Regional meetings	37	14
(e) The Interregional Seminar on the Revised SNA	38	14
4. Finalization of the SNA draft	39 - 45	14
V. FUTURE WORK ON HANDBOOKS AND COMPILATION GUIDES AND UPDATE OF SNA	46 - 48	16
VI. POINTS FOR DISCUSSION	49	16

INTRODUCTION

1. A first draft of the revised System of National Accounts (SNA) was presented to the Statistical Commission at its twenty-sixth session. In reviewing the draft and the accompanying progress report, the Commission noted the progress made on the revision of the SNA and extended its thanks to all those who had so far contributed to this very important work programme. It stressed the importance of meeting the 1993 target date for completion of the work and made recommendations to improve the mechanisms through which the Inter-Secretariat Working Group on National Accounts (ISWGNA) would implement that objective. The Commission expressed its appreciation to the various organisations and countries that had given additional support to the SNA Review process, either in cash or in kind, and requested the ISWGNA to try to mobilize additional resources to complete the revision and support optimal implementation of the revised SNA. The Commission gave high priority to all aspects of work on the revised SNA and assigned priority to two accompanying Handbooks, i.e., one on the application of SNA in countries in transition, and another on national accounting under circumstances of high inflation.

2. At its present session the Commission has before it a second draft of the revised SNA (PROVISIONAL ST/ESA/STAT/SER.F/2/Rev.4) together with a report by the ISWGNA containing proposals for implementation (E/CN.3/1993/6). Also, the report of the October 1992 Interregional Seminar on the Revision of the SNA (ESA/STAT/AC.43/8) held in Mexico, which reviewed this draft and provided comments, is available to the Commission as a background document. Further, in late 1992 the ISWGNA is expected to prepare a report based in part on the Interregional Seminar, and this report also is expected to be available as a background document. The Commission may wish to review these documents jointly and give instructions for finalizing the present draft and preparing it for publication and subsequent use by countries and international organizations.

I. AN OVERVIEW OF THE REVISED SNA

3. As the product of a broad and open consultative process (discussed in section II), the draft revised SNA has several noteworthy features.

(a) The revised SNA is a conceptual and accounting framework that is applicable to <u>all</u> countries. At the outset of the revision process, it had been the expressed wish of developing countries that a single framework be applicable to developed and developing countries market economies alike. By the end of the process, the world had changed in ways that made it clear that the SNA would be applied in formerly centrally planned economies as well, replacing the Material Product System (MPS).

(b) The revised SNA emphasizes flexibility, thus recognizing both the need to facilitate international comparisons and the need to encourage the SNA's use in economies that differ widely. For example, the revised SNA demonstrates how to use the classifications, to provide useful detail and even alternative presentations. These alternative classifications, in the framework of a social accounting matrix, augment the tools for analysing poverty and other social concerns. It also suggests how satellite accounts can be used to present concepts that differ from those in the central framework, as for environmental accounting.

(c) The revised SNA completes the integration of balance sheets, thus providing a fuller picture of the resources at an economy's disposal.

(d) The revised SNA consolidates hitherto separate presentations of important elements of an economy. These include population and labour force data, price and volume measures, and purchasing power parities.

(e) The revised SNA lays the groundwork for dealing with the interaction between the economy and the environment. The state of development of environmental accounting at the present time, however, does not permit the introduction of environmentally adjusted aggregates in the central framework, but one section of the revised SNA is intended as a guide to countries wishing to design accounts responsive to policy and analysis focused on environmentally sound and sustainable growth and development.

4. The revision was designed to build on the solid foundation of the 1968 SNA. The revision updates the SNA, clarifies and simplifies it, and harmonizes it more completely with other sets of international standards in statistics.

5. Economies have evolved, so the revised SNA updates the concepts and accounts to be used to analyze them. Inflation has emerged as a central policy concern. The role of government has evolved and changed in many countries. Service activities, have taken on increasing importance. Financial institutions and markets have become increasingly sophisticated, and financial instruments have spawned numerous hybrids. Economies have become increasingly inter-related with one another. The revised SNA responds to the needs of a variety of users, including policy makers and analysts in a number of ways.

(a) The revised SNA distinguishes between individual consumption and collective consumption within consumption expenditure by government and uses that distinction to define actual final consumption for households, government, and nonprofit institutions. The actual final consumption measures shed additional light on government activity and facilitate international comparisons.

(b) The revised SNA devotes more attention to the role of services in the economy. For example, the production of storage services is described, and the System recognizes that services as well as goods may be produced over more than one accounting period.

(c) The revised SNA establishes criteria for the delineation of the financial corporate sector and identification and classification of financial instruments in light of the many innovations in this field.

(d) The revised SNA recommends treatment in the accounts of multiple exchange rates, an important feature in a large number of countries.

6. The revised SNA is meant to be applicable to economies that are increasingly complex or changing in other ways, but it simplifies the work of the economic accountant. First, it allows for, and describes in more detail, the conditions and institutional arrangements that may be found in developed and developing countries and in newly emerging market economies. Second, it provides the rationale for the treatments applied so that economic accountants can, by extension, decide on treatments for conditions and institutional arrangements in the future.

7. In addition to this general approach, the revised SNA clarifies a number of specific issues and, by identifying the principles, reduces the seeming complexity of such a comprehensive system. For example,

(a) The revised SNA identifies the rules of accounting - the principles of valuation, time of recording, and grouping by aggregation, netting, and grossing - in a separate chapter.

(b) The revised SNA recommends a treatment for value-added type taxes, which have been introduced in a number of countries since the 1968 SNA.

8. A major, successful effort has been made to harmonize the SNA and other international statistical standards more completely than in the past. Harmonization makes efficient use of statistical resources both in countries and in international organizations, and it increases the analytical power of the statistics available to the variety of users.

II. THE SNA REVIEW PROCESS

9. The Statistical Commission, in its evaluation of the revised SNA, may wish to consider several aspects of the SNA Review process that highlight the role of that process in international statistical affairs.

10. The substantial achievements reported here were possible only because of a very close cooperation between the international organizations that are members of the ISWGNA and substantial contributions made by experts from a number of countries, coordinated through the ISWGNA. As a result of this very

intensive and effective cooperation, it was possible to share the financial and administrative burden of meetings among the member organizations of the ISWGNA. The cooperation facilitated integration of different fields of expertise, as each of the member organizations of the ISWGNA had its own expert correspondents, who were drawn upon in the selection of the members of the specialized expert groups as well as the subsequent Expert Group on SNA Coordination. In the final stages of the Review process, Mrs. Carol Carson, who was kindly made available by the U.S. Bureau of Economic Analysis to support the work of the ISWGNA, coordinated an even more intensive cooperative process in which staff of the participating organizations as well as experts from a number of countries served as reviewers of the chapters and indeed also drafted chapters themselves. During these later stages, further financial support was received from each of the international organizations and member countries. Cooperation such as this could be considered as a model for future work by international organizations and countries in other fields of statistics.

11. The SNA Review process furthermore has been a very open one, in which extensive comments were received from many experts at various stages of the development of the System. Given the very large number of issues and taking into account the fact that in the System nearly all concepts are interrelated, reconciling the often very different points of view was a very complex, time-consuming task. This reconciliation also resulted in some decisions which did not satisfy all participants in the discussion. Nevertheless, it can be stated with some confidence that this procedure led to much more consensus, not only among national accountants but also between them and other specialists, than could have been reached by a more confined process similar to the one followed in the development of the 1968 SNA.

12. Approximately 50 experts participated in SNA Expert Group meetings. Their participation made available to the SNA Review process expertise existing in approximately 40 countries selected as balanced representations from the regions in the world. The process also drew upon the different types of expertise available in many international and regional organizations, including the international organizations who are members of the ISWGNA as well as the International Labour Organization (ILO), Food and Agricultural Organization (FAO), Institute for the Research and Advancement of Women (INSTRAW), etc. Furthermore, the Review process included technical contributions by experts who participated in meetings of the Organization for Economic Cooperation and Development (OECD) and the Statistical Office of the European Communities (EUROSTAT), Regional Commission meetings, General Conferences of the International Association for the Research of Income and Wealth (IARIW) and similar regional and specialized meetings in which SNA issues were discussed. The SNA Review process thus benefitted from a very large number of different types of expertise - not only expertise on national accounts proper but also expertise on industrial statistics, balance of payments statistics, government finance statistics, money and banking statistics, employment statistics and agricultural statistics as well expertise in household surveys, environmental statistics, social accounting matrices, inflation accounting, statistics on contribution of women to economic activity and several other fields.

13. This very rich blending of different types of expertise has resulted in a revised SNA that has been much more comprehensively reviewed from many more different points of view than when the 1968 SNA was drawn up. It also facilitated the harmonization of the revised SNA with related statistical standards in other fields and stimulated the revision of existing statistical manuals and development of new ones. As a result, the SNA Review process will ultimately show a much more profound impact than the one that can be observed solely by evaluating the revised SNA.

III. RESULTS OF THE SNA REVIEW PROCESS

14. Each of the three elements that are directly or indirectly the result of the SNA Review process are briefly evaluated below, i.e., revised SNA, the related statistical standards that are or will be revised, and the Handbooks that are in prospect.

1. Revised SNA

15. The revised SNA standards generally constitute continuity in the development of national accounts; most of the concepts of the 1968 SNA are still valid. However, in the revised SNA existing concepts and classifications have been explained, and additional concepts and classifications have been added. Therefore, the revised SNA is compatible with the 1968 SNA but at the same time provides access to areas of analysis previously not within the realm of national accounting based on the SNA. The more elaborate explanations of concepts facilitate use of the System in circumstances that are presently not foreseen. Below the revised SNA is briefly contrasted with to its 1968 predecessor.

16. The revised SNA has effectively integrated in its structure of accounts the analysis of production (including input-output) in current and constant prices with the analysis of income distribution, finance and national wealth. As a result, one manual presents materials that were previously presented in separate manuals dealing with A System of National Accounts, 1/ Provisional Guidelines on Statistics of the Distribution of Income, Consumption and Accumulation of Households, 2/ Provisional International Guidelines on the National and Sectoral Balance-Sheet and Reconciliation Accounts of the System of National Accounts, 3/ Guidelines on Statistics of Tangible Assets 4/ and the Manual on National Accounts at Constant Prices. 5/ In this context, two specific features of the System should be noted by the Commission. First, the data used for production analysis are alternatively classified by establishment-based industry and institutional sector, and value added is cross-classified. Second, the System records all changes in assets and liabilities between opening and closing balance sheets; that is, the revised SNA records not only the data that were in the capital and financial accounts of the 1968 SNA but also data in two new accounts that record, respectively, the holding gains and losses that result from price changes and the changes in volume that are not a result of production. The latter may include, for

example, the destruction of assets as a result of natural and man-made disasters and the incorporation of natural assets as economic assets.

17. At the very start of the SNA Review process, it was decided that the System would be generally applicable to all countries. With flexible application the System has embodied that goal without sacrificing the provision of guidance for specific situations.

(a) The financial and balance sheet accounts have been developed and the coverage of the financial sector defined to provide enough detail for countries with sophistical financial markets.

(b) For countries with high rates of inflation, the accounts for holding gains and losses are of special interest.

(c) Separate production accounts for the household sector were introduced to facilitate analysis especially in countries where small-scale and informal production activities generate an important part of GDP. Similarly, a concept called "mixed income" was introduced for production activities in the household sector to reflect that the revenues may consist of the combined compensation for labour, for the use of capital and for entrepreneurship.

(d) A special transitional treatment has been accorded to health, education and other assistance programmes in which state enterprises in formerly centrally planned economies provide social benefits to their employees.

18. In order to facilitate the general applicability of the System, the revised SNA introduces a number of elements of flexibility, of which two in particular should be noted by the Commission. First, the revised SNA uses both an accounts (two-sided balancing statements) and a matrix format. A chapter is devoted to social accounting matrix (SAM) presentations as an integral part of the System. Second, the revised SNA has a clearly identified hierarchical one- to five-digit structure of classifications of transactors, transactions and assets. Countries may use this hierarchy to determine priorities in the development of details of each classification. For instance, the first level of detail of the transactor classification shows non-financial corporations, financial corporations, government, households and non-profit institutions serving households, but the hierarchy allows countries to develop more detail if relevant to its policy and analytical needs. In order to guide countries, the revised SNA includes a chapter on the "Application of the integrated framework to various circumstances and needs".

19. Further flexibility has been introduced by providing satellite accounts to facilitate specialized types of analyses. A separate chapter introduces two types of satellite accounts. The first type, so-called functionally oriented satellite accounts, carry out partial analyses of specific analytical and policy concerns such as education, health, tourism, transportation, etc. They bring together in one analysis the goods and services that may be spread

over different production activities, that are utilized by different users and/or that are financed by different agencies. These satellite accounts involve some rearrangement of the classifications in the central framework of the SNA and introduce some complementary elements (like the identification of the output of ancillary activities) without substantively diverging from the central framework. The second type elaborates alternative concepts and shows the conceptual ramifications throughout the System. This kind of satellite account is introduced by presenting the very important example of environmental satellite accounts, in which the System's cost concepts have been adjusted for the depletion and degradation cost of economic activities affecting natural resources. While the basic approaches of environmental accounting have been presented in the chapter on satellite accounts, further details have been elaborated in a separate Handbook on Integrated Economic Environmental Accounts, of which a provisional edition is expected to be submitted for publication in 1993. Another example of the second type of satellite accounts, not elaborated in the revised SNA, could be to enlarge the concept of production to include household production of services for own use.

20. As noted earlier, by involving experts from different fields it has been possible to achieve substantial further harmonization and - where this was not feasible - to introduce links between relevant concepts of the SNA and concepts used in the other fields. There are many examples. In the government sector the coverage of taxes has been harmonized between SNA and the tax classifications of the IMF and OECD. Concepts and treatments concerning rest-of-the-world transactions in SNA and balance of payments standards are in most aspects the same. This applies in particular to the following, where changes were made in either the SNA or balance of payments: the distinction between services, income and transfer; the distinction between goods and services with regard to the treatment of processing; the methods of converting external transactions to local currency; the treatment of reinvested earnings of foreign direct investment and the f.o.b. valuation as the principal valuation of imports. The production boundary in SNA and the coverage of employment in the ILO guidelines on Labour Statistics are now compatible, a result that will facilitate production and productivity analysis. The distinction between formal and informal activities has been introduced in principle in the SNA, but further details will be based on ILO guidelines dealing with the measurement of employment. The definitions and treatments of financial transactions are expected to be compatible with those to be adopted in future IMF guidelines on Money and Banking Statistics. Finally, the SNA concept of establishment has been brought in line with the statistical unit definition used in the third revision of International Standard Industrial Classification of all Economic Activity (ISIC) 6/ and the concepts of the national farm and agricultural holding in the Handbook on Agricultural Accounts to be published by FAO has been made compatible with this concept.

2. Revision and/or development of related statistical standards

21. Because of the intensive participation of the IMF, the SNA Review process has immediate impact on the IMF standards on Balance of Payments Statistics, Government Finance Statistics and Money and Banking Statistics. Recommendations by SNA Expert Groups not only dealt with the SNA itself, but also with each of the three IMF guidelines. Consequently, it is the intention of the IMF to revise all three standards and bring them in line with the relevant recommendations. The first guidelines that will be revised are those on Balance of Payments Statistics. A recent IMF Expert Group agreed with most of the revisions introduced as a result of the SNA review process. A revised Manual on Balance of Payments Statistics will be issued in 1993. Preparations have started already with regard to the revision of the present Manual on Money and Banking Statistics. The revision of the present Government Finance Statistics Manual will be initiated in the near future.

22. Other international guidelines that will be issued shortly include the Handbook on Agricultural Accounts, which has been revised by FAO and brought in line with the treatment of agricultural products and activities in the SNA. ILO has revised its recommendations on labour statistics to define employment in a manner which is compatible with the production boundary in the SNA. Furthermore, at the same time as this report is presented to the Statistical Commission, the Commission will also have before it a report prepared by ILO which defines a conceptual framework for the measurement of the informal sector dealing among others with the measurement of employment. As the revised SNA itself does not include a definition of the informal sector, the ILO definitions effectively serve as a further elaboration of the System on this point. Also, the third revision of the ISIC, which was recently issued by the UN Statistical Division along with a corresponding provisional version of the Central Product Classification (CPC), 7/ is compatible with the new establishment definition in the revised SNA. In a parallel document to the Statistical Commission on classifications (E/CN.3/1993/7) proposals have been made to further develop functional classifications in line with the orientation developed in one of the chapters of the SNA. Furthermore, it should be brought to the attention of the Commission that it is necessary to issue revised guidelines on industrial statistics and foreign trade statistics in order to make them compatible with the SNA.

3. Development of Handbooks

23. The 1986 Expert Group on the SNA Structure urged that the revised SNA containing the explanation of the conceptual System should be accompanied by a series of Handbooks on National Accounting containing information on how the SNA should be implemented and discussing questions related to the presentation of data in terms of the international organisations' national accounts questionnaire and alternative presentations.

24. The work on Handbooks is not new. In fact, UNSTAT already had created a Handbook series in which two Handbooks were published, a Handbook on Accounting for Production: Sources and Methods (F-39), which was published in 1986, and a Handbook on Public Sector Accounts (F-50), which was published in 1988. Although their content in terms of conceptual definitions is not compatible with the revised SNA, the national accounting compilation practices as described in these Handbooks are not expected to change much when the revised SNA is put into effect.

25. The elaboration of additional Handbooks, however, has been somewhat slowed down, first because the resource emphasis at UNSTAT was on the SNA Review, but also, and more importantly, because the revised SNA introduced new conceptual features which would make obsolete Handbooks that would not take them into account.

26. Nevertheless, work has continued in spite of these restrictions and several Handbooks are in the pipeline, including Handbooks on: Integrated Economic and Environmental Accounting, Application of SNA in Countries in Transition, Input-Output Tables, National Accounts Compilation, Household Sector Accounts and Application of SNA in Countries with High Rates of Inflation. Work on some of them is more advanced than in others. The IMF is developing its compilation guides in parallel with issuing the conceptual manuals.

IV. SNA REVIEW WORK PROGRAMME 1991-1992

1. Planning and management of work programme by ISWGNA

27. The ISWGNA has continued to plan, manage and coordinate the work programme on the revision of the SNA with the assistance of Mrs. Carol Carson from the U.S. Bureau of Economic Analysis. As instructed by the Statistical Commission, the ISWGNA has taken various actions to monitor, through regular meetings and tele-conferences, the progress achieved and make adjustments whenever necessary to the detailed work plan.

28. In response to the directives of the Statistical Commission in February 1991, which strongly urged that the target date of 1993 for the completion of the SNA revision be met, the ISWGNA has taken an active role in decisions to clear up loose ends that were left undone by the respective expert groups. Through its actions, the ISWGNA promoted the resolution of a number of issues on which the Expert Group on SNA Coordination (EGC) could not reach consensus because of time and other constraints.

29. Since the last session of the Commission several outstanding issues have been resolved and in a few instances decisions taken earlier in the process have been reversed. Most decisions were taken by the fifth SNA Expert Group on Coordination held in Harare in April 1991 (EGC5), some were elaborated by the ISWGNA on the basis of recommendations made by the fourth SNA Expert Group

on Coordination held in Washington in December 1990 (EGC4) and some others were resolved by the ISWGNA, particularly during the last stage of the SNA Review. Among the most important issues on which agreement has been reached since the previous version of the draft SNA chapters was submitted to the twenty-sixth session of the Statistical Commission are:

(a) SNA for countries with transition economies;

(b) environmental accounting, asset boundary and revised classifications of assets;

(d) non-profit institutions serving households as a separate sector;

(e) market/non-market distinction;

(f) employment and labour inputs;

(g) income concepts;

(h) pensions;

(i) enlargement of the concept of social protection;

(j) social accounting matrices;

(k) functional classifications;

(l) multiple exchange rates.

2. Funding resources and consultancies

30. The five international organizations that have financed most of the revision process have shared most of the substantial cost of the consultancies required to work on the SNA chapters or related studies on certain topics that required further research.

31. In response to funding letters sent to 12 countries seeking additional financial support for a number of other revision-related tasks, the ISWGNA received several contributions in cash and in-kind. Australia, Canada, Italy, New Zealand, Norway, Sweden and the United States pledged cash contributions. France agreed to finance one person to work in the Statistical Division of United Nations for a period of two years beginning fall 1991; Germany contributed the time for a consultant to complete the work on the Handbook on Environmental Accounting; the Netherlands contributed the time for a consultant to work on the SNA draft chapter on social accounting matrices; the United States, in addition to the services of Mrs. Carol Carson contributed support for a number of aspects of the chapters' revision work. Many developed countries continue to provide travel expenses for their members in the Expert Group on SNA Coordination (EGC), and some countries have allowed their experts to provide extensive comments on the draft chapters.

32. Although the needs for additional resources still exist, resources pledged allowed the revision work to move ahead. Financial constraints did not unduly affect the basic documents (chapters and annexes), however, they did have an impact on some of the accompanying aids - in particular, the number of Handbooks on which work could be carried out. Some cash contributions pledged in 1991 have not yet been received. The cash contributions received so far have totalled US $43,000. Some of the funds have been used for the preparation of the first draft of the Handbook on Application of SNA in Countries in Transition.

3. Expert group, technical, regional and interregional meetings

33. Since the twenty-sixth session of the Statistical Commission in February 1991, several meetings have taken place, including a fifth expert group meeting on SNA coordination, several meetings of technical working groups dealing with specific aspects of the SNA and a number of regional meetings organized by EUROSTAT and OECD. Two more meetings are scheduled for the final stage of the work programme on the revision of the SNA in 1992, i.e. an Interregional Seminar on the revision of the SNA and a sixth expert group meeting on SNA coordination; both meetings will be held in Mexico.

(a) Fifth Expert Group Meeting on SNA Coordination

34. The Fifth Expert Group Meeting on SNA Coordination (EGC5), sponsored by the United Nations Statistical Division and hosted by the Central Statistical Office of Zimbabwe, was held in Harare from 8 to 17 April 1991. The main objective of the meeting was to review comments received from the 1990 round of Regional Commission meetings, the twenty-sixth session of the Statistical Commission and from national statistical offices and individual experts. The meeting also reviewed some of the chapters and annexes not previously discussed by the experts.

(b) Sixth Expert Group Meeting on SNA Coordination

35. The Sixth Expert Group Meeting on SNA Coordination (EGC6) will meet in Aguascalientes for two days prior (2-3 October 1992) to the Interregional Seminar and for one day after (10 October 1992) the Interregional Seminar. The objective of the first meeting will be to brief and bring up to date the experts on the status of work on the revised SNA and to discuss with them the presentation of agenda items in the Interregional Seminar. The second meeting will be to discuss the comments received prior to and during the Interregional Seminar and to seek the experts' input for final preparations for the Statistical Commission.

(c) Technical working group meetings

36. Working groups were set up to deal with detailed technical issues such as environmental accounting, the asset boundary, social accounting matrices, social protection and treatment of pension transactions, etc. They included representatives from the ISWGNA organizations and EGC members particularly interested in these particular areas of work. These groups were meant to reach conclusions on technical matters in drafts, which were then submitted to a wider review by members of the ISWGNA and EGC.

(d) Regional meetings

37. OECD and EUROSTAT organized regional meetings in 1991 and 1992 to discuss the draft and progress of the revised SNA.

(e) The Interregional Seminar on the Revised SNA

38. In April 1991 the ISWGNA decided to hold an interregional meeting to provide the opportunity for a fully representative range of experts from different countries to be involved in the final substantive review of the revised SNA and formulation of plans for implementation and continuing work on SNA methodology. The Interregional Seminar on the Revised SNA has been scheduled to take place in Aguascalientes, Mexico, from 5 to 9 October 1992. Objectives, participants, agenda and other documentation for the Seminar have been extensively discussed in several meetings and tele-conferences of the ISWGNA. Agreements have been reached on the topics to be presented in the Seminar. Letters of invitation to approximately 55 experts from countries of all five Regional Commission regions were sent out in April 1992 by the Statistical Division of United Nations on behalf of the ISWGNA and the Mexican Statistical Institute (INEGI) that is hosting the meeting; most invitees accepted the invitation. In addition to these experts, the members of the Expert Group on SNA Coordination will also participate in this meeting.

4. Finalization of the SNA draft

39. The ISWGNA with the support of Mrs. Carol Carson developed a detailed work plan and time table for completing the SNA draft chapters, annexes, and tables and accounts. Consultants, members of the ISWGNA and members of the EGC closely cooperated in the revision of previous drafts and drafting of new material, preparation of tables and accounts and the review of chapters and annexes. Mechanisms were put in place to facilitate quick and frequent communication and track progress of the work, so that work on different chapters could be more effectively coordinated in time and substance and adjustments to the work programme and the distribution of work could be more easily and quickly implemented.

40. Members of the EGC and staff from member organizations of the ISWGNA were asked to comment on each chapter. A team of two or three readers from the EGC and ISWGNA was asked to take particular responsibility for each chapter, annex

or sections thereof, and examine the text in detail and give feedback to the corresponding author(s) on both substantive and editorial matters.

41. Through meetings and tele-conferences, the ISWGNA has consulted when it was necessary to resolve substantive issues that emerged during the drafting. Furthermore, the ISWGNA has tried whenever possible to bring the views of others into substantive discussions. Working with technical groups and in other consultations, the ISWGNA has tried to involve a wider group within the limits of time and budget. Nevertheless, and particularly towards the end of the process, the ISWGNA has taken decisions on a few issues that were essential for a coherent presentation of the SNA and on which the EGC could not reach consensus because of time and other constraints.

42. Thus, work on revising chapters proceeded efficiently although somewhat slower than expected. During the second half of 1991, a further realignment of responsibilities for drafting chapters further spread the burden of drafting the chapters, involving more intensively the international organizations that are members of the ISWGNA and Mrs. Carol Carson and her staff in the U.S. Bureau of Economic Analysis. Some further realignment was also implemented in the first half of 1992.

43. The bulk of the SNA chapters in the English language was available to the participants in the Interregional Seminar prior to the end of July deadline initially set by the ISWGNA; others were sent at the end of August, while a few were sent shortly before the Seminar. As the draft chapters and annexes to be discussed at the Interregional Seminar are the same as those to be presented to the twenty-seventh session of the Statistical Commission, the Office of Conference Services of United Nations had sufficient time to process and make the documents ready for presentation.

44. With regard to the Spanish and French translations of the revised SNA for the October 1992 Interregional Seminar and the 1993 Statistical Commission, Spain in close collaboration with ECLAC has contributed the Spanish translation, and EUROSTAT has done the major part of the French translation work, with the remainder being shared by the United Nations Secretariat, OECD, IMF and Canada. In addition, the United Nations Secretariat has been responsible for the Arabic, Chinese and Russian translations that were not officially used in the Interregional Seminar but are needed for the Statistical Commission.

45. The United Nations Regional Commissions have been responsible for distributing the final chapters to all statistical offices of their member countries and other experts and users in their region who might wish to provide comments. The Regional Commissions have also been responsible for maintaining close contact with the experts participating in the Interregional Seminar as well as with the statistical offices and other experts in their regions and giving feedback on their views and comments to the other members of the ISWGNA.

V. FUTURE WORK ON HANDBOOKS AND COMPILATION GUIDES AND UPDATE OF SNA

46. The report of the Interregional Seminar on the Revision of the SNA will be made available to the Statistical Commission as a background document at the time of its meeting. Also, the ISWGNA expects to prepare a report, available as a background document, that reflects the written comments, the Interregional Seminar and EGC6.

47. As indicated in the report of the Secretary-General, E/CN.3/AC.1/1992/R.3, Problems, challenges and proposals concerning the strengthening of international statistical cooperation, presented to the fifteenth session of the Working Group of the Statistical Commission, UNSTAT, with the strong support of the ACC Sub-Committee on Statistical Activities, proposed that all methodological work performed by, or under the responsibility of, international organizations be planned within the framework of a ten year plan. This plan would be elaborated through consultations in the ACC Sub-Committee on Statistical Activities and under the responsibility of the Working Group of the Statistical Commission.

48. It is proposed that such a plan would allow for updating the SNA and related methodological standards. An advantage of updating after a shorter interval than after the 1968 SNA would be that it would presumably involve less substantial revision. It would, furthermore, be less costly, faster in responding to data needs and may result in quicker international consensus. As the updating of the SNA will be further discussed in the Interregional Seminar in Mexico, it is expected that further details will be provided to the Commission through the report by the ISWGNA referred to above.

VI. POINTS FOR DISCUSSION

49. At its present session, the Statistical Commission will have before it for consideration the final draft of the revised SNA together with the present report. In addition, the report of the 1992 Interregional Seminar and a report by the ISWGNA will be available to the Commission as background documents. Taking into account the information included in these documents, the Commission is invited to:

(a) Give its final views and comments on the draft revised SNA;

(b) Recommend the formal adoption of the revised SNA by the Economic and Social Council in 1993 after any revision(s) or addition(s) that the Commission might deem appropriate before final publication;

(c) Comment on the coverage and progress in the elaboration of related statistical manuals, Handbooks and compilation guides;

(d) Comment on the suggested proposals for updating of the SNA in the future and discuss the mechanisms to be put in place to facilitate such updating procedure.

Notes

1/ Studies in Methods, Series F, No. 2, Rev. 3 (United Nations publication, Sales No. E.69.XVII.3).

2/ Statistical Papers, Series M, No. 61 (United Nations publication, Sales No. E.77.XVII.11 and Corr.).

3/ Statistical Papers, Series M, No. 60 (United Nations publication, Sales No. E.77.XVII.10).

4/ Statistical Papers, Series M, No. 68 (United Nations publication, Sales No. E.80.XVII.2).

5/ Statistical Papers, Series M, No. 64 (United Nations publication, Sales No. E.79.XVII.5).

6/ Statistical Papers, Series M, No. 4, Rev.3 (United Nations publication, Sales No. E.90.XVII.11).

7/ Statistical Papers, Series M, No. 77 (United Nations publication, Sales No. E.91.XVII.7).